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Kenneth L. Pursley (1940-2015)  
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December 28, 2015

## HAND DELIVERY

Ms. Jean Jewell, Secretary  
Idaho Public Utilities Commission  
472 W. Washington Street  
Boise, ID 83702


RECEIVED  
2015 DEC 28 PM 4:30  
IDAHO PUBLIC  
UTILITIES COMMISSION

Re: Columbine Telephone Company Application COL-T-15-02. ATTENTION  
COMMISSION SECRETARY AND HEAD LEGAL SECRETARY:  
Columbine Telephone Company requests that the Commission issue an Order  
approving the issuance of these securities on or before January 30, 2016.

Dear Ms. Jewell:

I am enclosing an original and four (4) copies of Columbine Telephone Company's application for loan approval together with a filing fee in the amount of \$1,000. Please acknowledge receipt by returning a conformed copy of the application in the enclosed SASE. Also enclosed is a disk containing a Word version of the Proposed Order, the Horizon and Columbine commitment letters and PDF of the signed resolution.

Sincerely,



Michael C. Creamer

MCC/lah  
1534-62 / 5058967-1  
Enclosures

cc: Michelle Motzkus

Michael C. Creamer (ISB # 4030)  
Melodie A. McQuade (ISB # 9433)  
GIVENS PURSLEY LLP  
277 North 6th Street, Suite 200  
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Boise, ID 83701  
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(208) 388-1300 (fax)

RECEIVED  
2015 DEC 28 PM 4:30  
IDAHO PUBLIC  
UTILITIES COMMISSION

*Attorneys for Columbine Telephone Company, Inc.*

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

|                                    |   |                          |
|------------------------------------|---|--------------------------|
| IN THE MATTER OF THE APPLICATION   | ) | Case No. COL-T-15-02     |
| OF COLUMBINE TELEPHONE COMPANY,    | ) |                          |
| INC. FOR AUTHORITY TO BORROW       | ) | APPLICATION OF COLUMBINE |
| FROM THE RURAL TELEPHONE FINANCE   | ) | TELEPHONE COMPANY        |
| COOPERATIVE IN AN AMOUNT NOT TO    | ) |                          |
| EXCEED \$3,333,334 AND TO GUARANTY | ) |                          |
| LOAN IN AN AMOUNT NOT TO EXCEED    | ) |                          |
| <u>\$8,333,333</u>                 | ) |                          |

Columbine Telephone Company, Inc. ("Columbine" or "Applicant"), by and through its attorneys Givens Pursley LLP, makes this Application pursuant to Idaho Code § 61-901 and IDAPA 31.01.01.141-147 for authority to: 1) execute a loan agreement with the Rural Telephone Finance Cooperative ("RTFC") in an amount not to exceed \$1,333,334 (the "A Loan"); 2) execute a line of credit agreement with RTFC in an amount not to exceed \$2,000,000 (the "B Loan") and execute an unsecured guaranty of payment (the "Guaranty") in favor of RTFC guaranteeing payment of a term loan to Columbine's parent company Horizon Communications, Inc. ("Horizon") in the amount of \$8,333,333 consisting of two separate debt facilities, one in the amount of \$4,444,444 and one in the amount of \$3,888,889 (collectively the "Horizon Loans"). In support of its Application, Columbine states as follows:

1. Applicant is a certificated telephone corporation organized under the laws of the State of Wyoming providing telecommunication services, including local exchange service, within the state of Idaho.
2. Columbine, along with its sister companies, Silver Star Telephone Company, Inc., a Wyoming corporation, Gold Star Communications, LLC, a Wyoming limited liability company

(“Gold Star”), Mountain Land Communications, LLC, a Wyoming limited liability company and Millennium Networks, LLC (collectively the “Horizon Subsidiaries”), is a wholly-owned subsidiary of Horizon.

3. The proposed RTFC financing to Columbine consists of two components. The A Loan is an eight-year secured loan in the amount of \$1,333,334, of which \$1,200,000 will finance buildout of Columbine’s ILEC infrastructure, including a redundant fiber ring, in Rexburg, ID, and \$133,334 will fund the purchase of ten percent RTFC Subordinated Capital Certificates.

The B Loan is a two-year unsecured revolving line of credit in the amount of \$2,000,000 which will be used for general corporate purposes. The material terms of the A Loan and the B Loan are set forth in the Revised Conditional Loan Commitment Letter from RTFC to Columbine dated December 23, 2015.

4. The Guaranty is a condition of the Horizon Loans. The Horizon term loan will be used to refinance the total outstanding balances on Horizon’s subsidiaries’ lines of credit from RTFC and to finance Horizon’s budgeted capital expenditures. The material terms of the Horizon Loans are set forth in the Revised Conditional Loan Commitment Letter from RTFC to Horizon dated December 23, 2015.

5. Columbine and its sister company Silver Star Telephone Company, Inc. each would be required to provide unsecured guarantees for the Horizon Loans. Columbine’s other sister companies, Gold Star Communications, LLC and Millennium Networks, LLC will be required to provide secured guarantees for the Horizon Loans. The Horizon Loans would be further secured by first priority liens on Horizon assets.

6. Further details of the loans to Columbine and Horizon and Columbine’s proposed Guaranty pertinent to this Application are contained the above-referenced Revised Conditional Loan Commitment Letters each dated December 23, 2015, copies of which are being submitted on a CD contemporaneously with this Application as confidential information for Commission and Commission Staff review. Because RTFC has not yet finalized and presented the forms of loan agreements, promissory notes, mortgages and guaranty (“Loan Documents”) to Columbine, Columbine will supplement the information included with this Application with copies of the Loan Documents as soon as they are obtained from RTFC.

7. Columbine submits that the proposed transaction is consistent with the public interest. Loans to Columbine will be used to upgrade local exchange service facilities to, among other things, improve quality and reliability of service. The unsecured obligation to guaranty repayment of the Loans to Horizon will not further encumber Company assets or affect the revenue requirement of its regulated operations.

8. A copy of the Applicant's most recent Annual Report showing the authorized and outstanding classes of Applicant's securities is on file with the Commission, and the Applicant respectfully requests the Commission take official notice thereof.

9. A certified copy of Columbine's Board of Directors' resolution authorizing the proposed transactions and this Application to the Commission is attached hereto as Exhibit A.

10. A Proposed Order granting this Application is attached hereto as Exhibit B.

11. Notice of this Application will be published within seven (7) days of the date of this Application in The Idaho Statesman (Boise). A copy of this Notice is attached as Exhibit C.

12. Applicant submits that the public interest does not require a hearing on this matter, and it requests that the Commission process this Application and determine this matter by Modified Procedure, pursuant to Rule 23 of the Commission's Rules of Practice and Procedure. In the event the Commission determines that formal proceedings on this Application are necessary, Applicant stands ready for immediate hearing.

13. Applicant has enclosed its filing fee, calculated pursuant to Section 61-905, Idaho Code, in the amount of \$1,000.

14. All notices and communications with regard to this Application should be served upon:

Michael C. Creamer  
Givens Pursley LLP  
601 W. Bannock Street  
P. O. Box 2720  
Boise, ID 83701

Michelle Motzkus, Secretary  
Columbine Telephone Company, Inc.  
P.O. Box 226  
Freedom, Wyoming 83120  
(307) 883-6671

WHEREFORE, Applicant respectfully requests an Order of this Commission:

1. Granting the foregoing Application of Columbine Telephone Company, Inc. to borrow as requested herein and to execute and deliver the Guaranty to RTFC; and
2. Granting such other relief as the Commission deems just and reasonable in this matter.

DATED this 28<sup>th</sup> day of December, 2015.



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Michael C. Creamer  
GIVENS PURSLEY LLP  
Attorneys for Applicant Columbine Telephone  
Company, Inc.

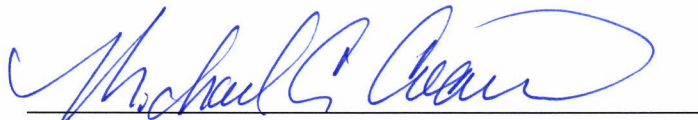


CERTIFICATE OF SERVICE

4 I HEREBY CERTIFY that on the 28<sup>th</sup> day of December, 2015 I caused an original and copies of the foregoing to be served upon:

Ms. Jean Jewell, Secretary  
Idaho Public Utilities Commission  
472 W. Washington Street  
Boise, ID 83702

by hand delivering the same to the above-named at the last known address(s) as set forth above.

  
Michael C. Creamer

## **EXHIBIT A**

**CERTIFIED COPY OF MINUTES AUTHORIZING OBTAINING RTFC TERM LOAN  
IN THE AMOUNT OF \$1,333,334, REVOLVING LINE OF CREDIT  
IN THE AMOUNT OF \$2,000,000 AND PROVIDING UNSECURED GUARANTY  
TO HORIZON COMMUNICATIONS, INC.**

I, Michelle Motzkus, do hereby certify that: I am the Secretary of Columbine Telephone Company, Inc (the "Company").

The following is a true and correct copy of excerpts from the minutes of a meeting of the Board of Directors of the Company held December 23, 2015, as they appear in the Minutes Book of the Company, said resolutions duly adopted thereat; the meeting was duly and regularly called in accordance with the bylaws of the Company; the A Loan, B Loan to Columbine and Guaranty to be required of the Company by Rural Telephone Finance Cooperative ("RTFC") was authorized by the Board of Directors as set forth below and said resolutions have not been modified or rescinded:

WHEREAS, the directors of the Company have been presented with a revised conditional loan agreement ("Columbine Loan Commitment"), a copy of which is attached to this Resolution, by which the Company would obtain a loan from Rural Telephone Finance Cooperative ("RTFC") in the amount of One Million Three Hundred Thirty-Three Thousand Three Hundred Thirty-Four Dollars (\$1,333,334) (the "A Loan") to finance the buildout of the Company's incumbent local exchange carrier infrastructure, including a redundant fiber ring in Rexburg, Idaho and the purchase of ten percent RTFC Subordinated Capital Certificates, together with a Two Million Dollar (\$2,000,000) short-term operating line of credit (the "B Loan") as more particularly described in the Columbine Loan Commitment; and

WHEREAS, the directors of the Company have been presented with a form of revised conditional loan commitment ("Horizon Loan Commitment") from RTFC to the Company's parent company, Horizon Communications, Inc. ("Horizon"), a copy of which is attached to this Resolution, by which RTFC would extend a loan to Horizon in the amount Four Million Four Hundred Forty-Four Thousand Four Hundred Forty-Four Dollars (\$4,444,444) to refinance the total outstanding balances on Horizon's subsidiaries' lines of credit from RTFC and the purchase of ten percent RTFC Subordinated Capital Certificates, together with a loan in the amount of Three Million Eight Hundred Eighty-Eight Thousand Eight Hundred Eighty Nine Dollars (\$3,888,889) to finance Horizon's budgeted capital expenditures (the "Horizon Loans") as more particularly described in the Horizon Loan Commitment; and

WHEREAS, as a condition of the Horizon Loans, the Company, along with the Company's sister entities is required to provide an unsecured guaranty ("Horizon Guaranty"); and

WHEREAS, the directors believe the A Loan and B Loan to the Company, and the Company's guaranty of the Horizon Loans on substantially the terms and



conditions described in the revised conditional loan commitments to be in the best interests of the Company.

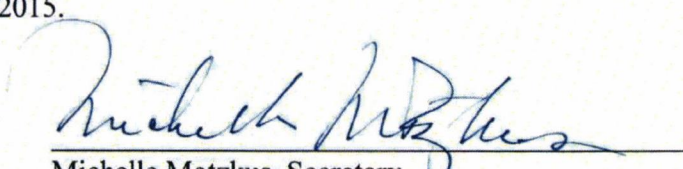
RESOLVED that the Company proceed to finalize the A Loan and the B Loan and the Horizon Guaranty with RTFC on substantially the terms set forth in the Columbine Loan Commitment and the Horizon Loan Commitment subject to:

1. Approval of final loan documents and the guaranty by the directors of the Company;
2. Approval of the A Loan, the B Loan and the Horizon Guaranty by the Idaho Public Utilities Commission.

RESOLVED, that the Company shall make application to the Idaho Public Utilities Commission for approval of the A Loan, the B Loan and the Horizon Guaranty; and

RESOLVED, that all actions heretofore taken by the authorized agents of the Company in connection with and in furtherance of the A Loan, the B Loan and the Guaranty are hereby ratified and confirmed in all respects as acts of the Company.

IN WITNESS WHEREOF, I have hereunder set my hand and affixed the seal of the Company, this 28<sup>th</sup> day of December, 2015.

  
Michelle Motzkus, Secretary

## **EXHIBIT B**

Michael C. Creamer (ISB # 4030)  
Melodie A. McQuade (ISB # 9433)  
GIVENS PURSLEY LLP  
277 North 6th Street, Suite 200  
P.O. Box 2720  
Boise, ID 83701  
(208) 388-1200  
(208) 388-1300 (fax)  
*Attorneys for Columbine Telephone Company, Inc.*

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

|                                  |   |                      |
|----------------------------------|---|----------------------|
| IN THE MATTER OF THE APPLICATION | ) | Case No. COL-T-15-02 |
| OF COLUMBINE TELEPHONE           | ) |                      |
| COMPANY, INC. FOR AUTHORITY TO   | ) | PROPOSED ORDER       |
| BORROW FROM THE RURAL            | ) |                      |
| TELEPHONE FINANCE COOPERATIVE    | ) |                      |
| IN AN AMOUNT NOT TO EXCEED       | ) |                      |
| \$3,333,334 AND TO GUARANTY LOAN | ) |                      |
| IN AN AMOUNT NOT TO EXCEED       | ) |                      |
| \$8,333,333                      | ) |                      |

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On December 28, 2015, Columbine Telephone Company, Inc. (hereinafter Applicant), filed an Application for authority to: 1) execute a Loan Agreement in an amount not to exceed \$1,333,334 (the "A Loan"); 2) a line of credit agreement in an amount not to exceed \$2,000,000 (the "B Loan") and an unsecured guaranty of payment (the "Guaranty") in favor of the Rural Telephone Finance Cooperative ("RTFC") guaranteeing payment of a term loan from RTFC to Columbine's parent company Horizon Communications, Inc. ("Horizon") in the amount of \$4,444,444 and a revolving line of credit in the amount of \$3,888,889 (collectively the "Horizon Loans").

In support of said Application, Applicant alleges that the proceeds of the RTFC loans to Columbine which \$1,200,000 will finance buildout of Columbine's ILEC infrastructure, including a redundant fiber ring, in Rexburg, ID, and \$133,334 will fund the purchase of ten percent RTFC Subordinated Capital Certificates and the line of credit will be used for general corporate purposes. Applicant further alleges that the Guaranty is a condition of the Horizon

Loans proposed to be made by RTFC, and that guarantees by each of Columbine's sister companies also would be required.

After examining the Application and supporting documents and being fully advised in the premises, the Commission hereby finds that a hearing in this matter is not required, and that the proposed transaction is consistent with the public interest.

IT IS THEREFORE ORDERED that the Application of Columbine Telephone Company, Inc. for authority to execute borrow from RTFC in an amount not to exceed \$3,333,334 and provide an unsecured Guaranty for loans to Horizon in an amount not to exceed \$8,333,333 substantially in the form of that submitted to the Commission and thereby guaranty payment of the Horizon Loans be, and is hereby granted.

DONE by Order of the Idaho Public Utilities Commission this \_\_\_\_ day of \_\_\_\_\_, 201\_\_.

\_\_\_\_\_  
PAUL KJELLANDER, PRESIDENT

\_\_\_\_\_  
MARSHA H. SMITH, COMMISSIONER

\_\_\_\_\_  
KRISTINE RAPER, COMMISSIONER

ATTEST:

\_\_\_\_\_  
Jean D. Jewell  
Commission Secretary

## **EXHIBIT C**



**LEGAL NOTICE OF COLUMBINE TELEPHONE COMPANY**  
**APPLICATION FOR AUTHORITY TO GUARANTY LOAN**  
CASE NO. COL-T-15-02

NOTICE IS HEREBY GIVEN that on December 28, 2015, Columbine Telephone Company filed with the Idaho Public Utilities Commission an Application for authority to borrow in an amount not to exceed \$3,333,334 and to guaranty a loan in the principal amount of \$8,333,334 to be made by the Rural Telephone Finance Cooperative to the Applicant's parent company Horizon Communications, Inc.

The Application is on file with, and may be obtained from, the Commission, whose offices are located at 427 W. Washington, Boise, Idaho 83702-5918 (208-334-0300), or may be viewed on the Commission's homepage at: <http://www.puc.idaho.gov/fileroom/cases/summary/tele.html>. Any person desiring to comment on said Application must file petitions or protests with the Idaho Public Utilities Commission within fourteen (14) days of the filing date. If no protests are received within this time limit, the Commission may consider the Application and enter its Order without setting the matter for hearing. If written protests are filed with the Commission within the time limit set, the Commission will consider the same and, in its discretion, may set a hearing. Petitions or protests must be filed with: Jean Jewell, Secretary, Idaho Public Utilities Commission, 472 W. Washington Street, Boise, Idaho 83702.

Jean Jewell, Secretary  
Idaho Public Utilities Commission